

CAMPBELL, CARR, BERGE
& SHERIDAN, P.A.
LAWYERS

MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
MARK F. SHERIDAN
MICHAEL H. FELDEWERT
TANYA M. TRUJILLO
ROBERT J. SUTPHIN, JR.

JACK M. CAMPBELL
1916-1999

JEFFERSON PLACE
SUITE 1 - 110 NORTH GUADALUPE
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208
TELEPHONE: (505) 988-4421
FACSIMILE: (505) 983-6043
E-MAIL: law@westofpecos.com

December 29, 2000

HAND-DELIVERED

Lori Wrotenbery, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
2040 South Pacheco Street
Santa Fe, New Mexico 87505

Re: *Application of David H. Arrington Oil & Gas, Inc. for Administrative Approval of an Unorthodox Well Location for its Green Wooley Booger Federal "5" Well No. 1, located 2330 feet from the South line and 860 feet from the West line of Section 5, Township 19 South, Range 24 East, N.M.P.M., Eddy County, New Mexico.*

Dear Ms. Wrotenbery:

David H. Arrington Oil & Gas, Inc. hereby seeks administrative approval pursuant to the provisions of Division Rule 104 F (2) adopted on August 12, 1999, of an unorthodox well location for its Green Wooley Booger Federal Well No.14 to be drilled to the Lower Cisco formation at an unorthodox well location 2330 feet from the South line and 860 feet from the West line Section 5, Township 19 South, Range 24 East, N.M.P.M., Eddy County, New Mexico. A standard 320-acre spacing and proration unit comprised of the E/2 of said Section 5 will be dedicated to the well.

This location in the Cisco formation unorthodox because it is governed by the Division's statewide rules which provide for wells on 320-spacing units to be located not closer than 660 feet to the outer boundary of the quarter section and no closer than 10 feet to any quarter-quarter section line or subdivision inner boundary. This location is unorthodox toward the

Lori Wrotenbery, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
December 29, 2000
Page 2

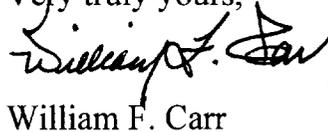
inner quarter-quarter section boundary of the proposed 320-acre spacing unit and is encroaching only upon Arrington acreage. No adjoining or diagonal spacing units should be affected by this location. The spacing unit is covered by one federal oil and gas lease and all ownership in the proposed spacing unit is common.

Attached hereto as Exhibit A is a plat showing the subject area and the proposed unorthodox well location. The acreage shaded yellow is operated by David H. Arrington Oil & Gas, Inc. Since the well is located on federal acreage and only encroaches on acreage with common ownership, the correlative rights of no interest owner will be adversely impacted by a well at this proposed unorthodox location. Accordingly, there are no affected persons as defined in Rule 1207.A to whom notice of this application should be provided. Exhibit B is the Division Form C-102 for the proposed well.

A Geological Discussion for this unorthodox well location with attached structure and isopach maps is attached as Exhibit C.

Your attention to this application is appreciated.

Very truly yours,

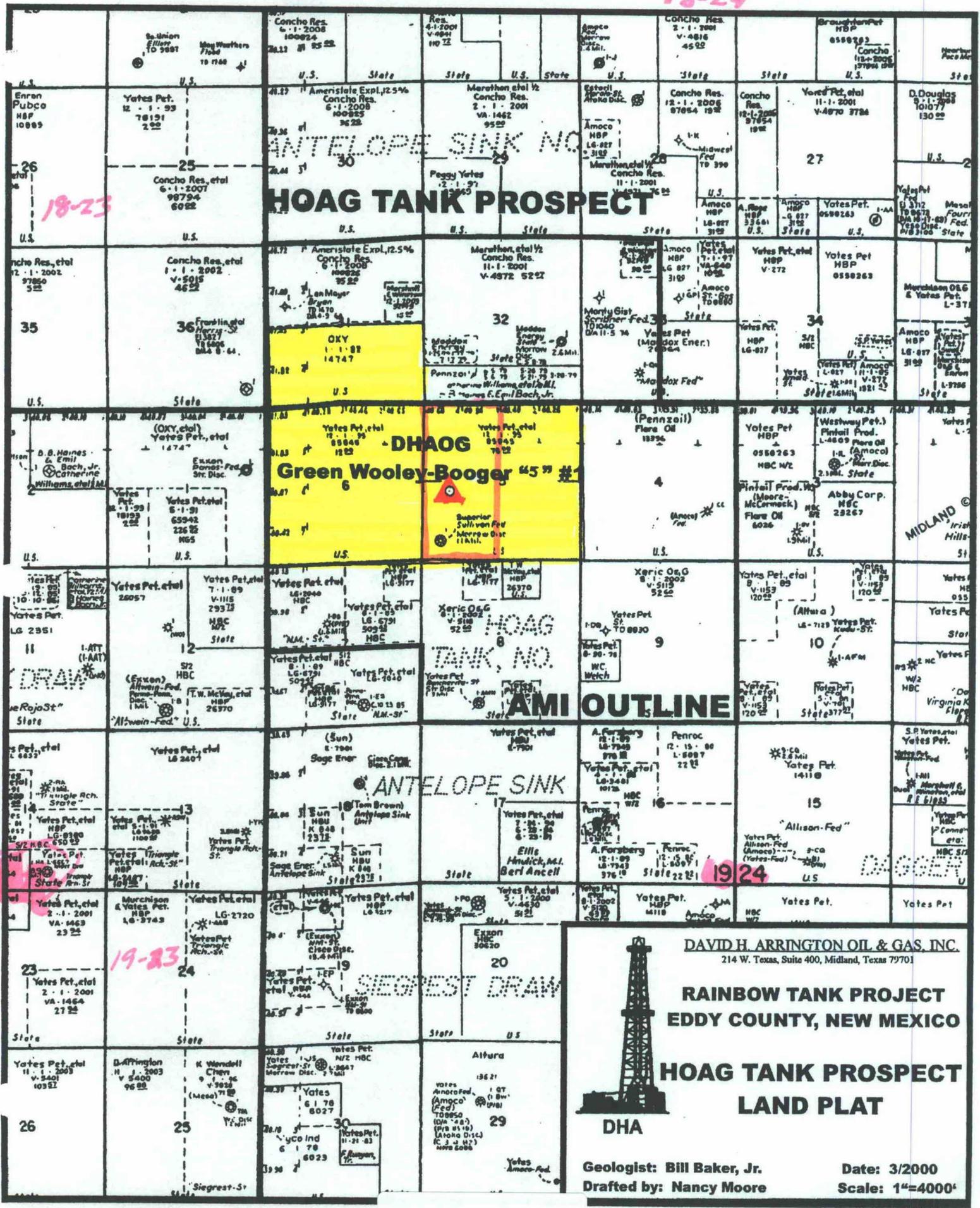


William F. Carr
Attorney for David H. Arrington
Oil & Gas, Inc.

Enclosures

cc: Bill Baker
David H. Arrington Oil & Gas, Inc.

18-24



DAVID H. ARRINGTON OIL & GAS, INC.
 214 W. Texas, Suite 400, Midland, Texas 79701

RAINBOW TANK PROJECT
EDDY COUNTY, NEW MEXICO

HOAG TANK PROSPECT
LAND PLAT

DHA

Geologist: Bill Baker, Jr.
 Drafted by: Nancy Moore

Date: 3/2000
 Scale: 1"=4000'

DISTRICT I
P. O. Box 1980
Hobbs, NM 88241-1980

State of New Mexico
Energy, Minerals, and Natural Resources Department

Form C-102
Revised 02-10-94

Instructions on back

DISTRICT II
P. O. Drawer DD
Artesia, NM 88211-0719

OIL CONSERVATION DIVISION

P. O. Box 2088
Santa Fe, New Mexico 87504-2088

Submit to the Appropriate
District Office
State Lease - 4 copies
Fee Lease - 3 copies

DISTRICT III
1000 Rio Brazos Rd.
Aztec, NM 87410

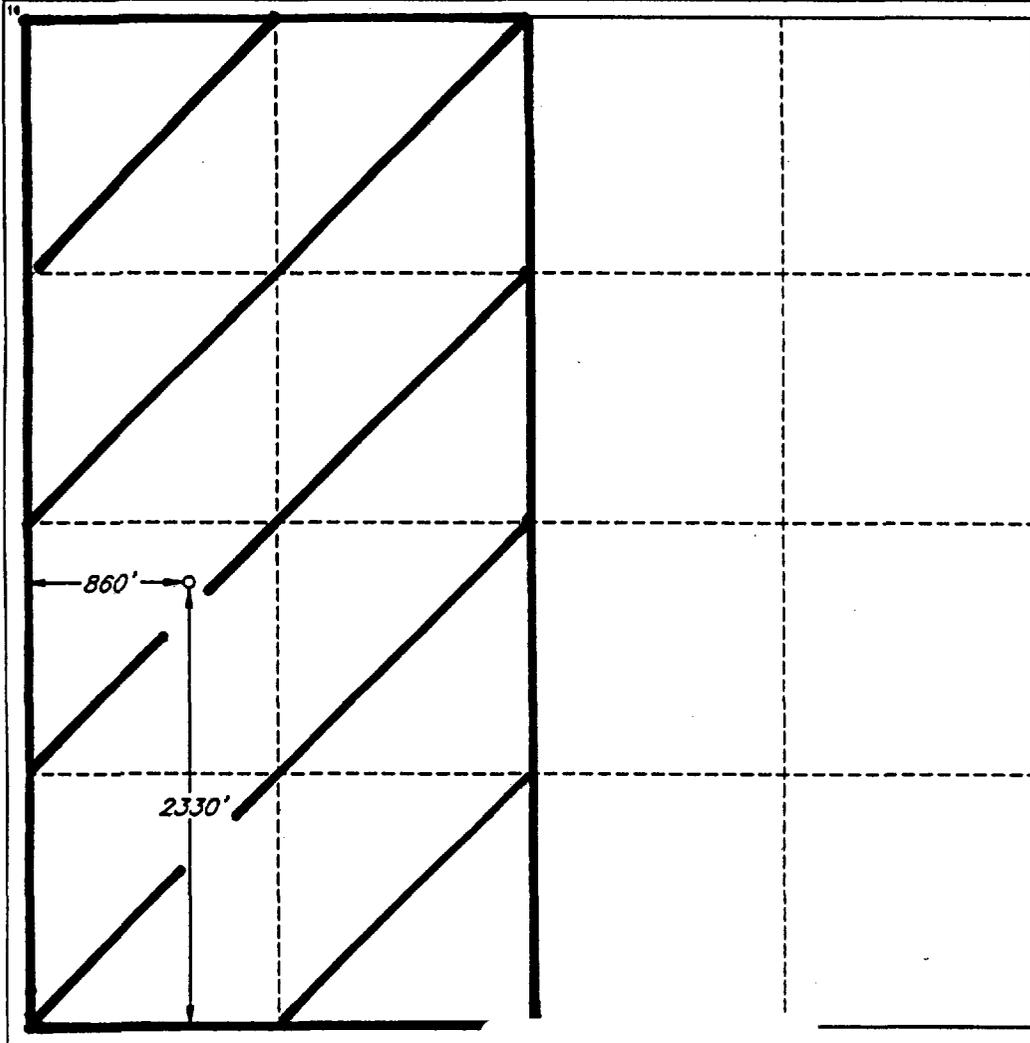
AMENDED REPORT

DISTRICT IV
P. O. Box 2088
Santa Fe, NM 87507-2088

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number		2 Pool Code		3 Pool Name <i>Antelope Sink Marms</i>					
4 Property Code		5 Property Name GREEN WOOLEY-BOOGER FEDERAL '5'					6 Well Number 1		
7 OGRID No.		8 Operator Name DAVID H. ARRINGTON OIL & GAS, INC.					9 Elevation 3788'		
10 SURFACE LOCATION									
UL or lot no. L	Section 5	Township 19 SOUTH	Range 24 EAST, N.M.P.M.	Lot Ida	Feet from the 2330'	North/South line SOUTH	Feet from the 860'	East/West line WEST	County EDDY
11 BOTTOM HOLE LOCATION IF DIFFERENT FROM SURFACE									
UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
12 Dedicated Acres 320		13 Joint or Infill		14 Consolidation Code		15 Order No.			

NO ALLOWABLE WELL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



OPERATOR CERTIFICATION
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature: *[Signature]*
Printed Name: *Bill Baker Jr*
Title: *Exploration Manager*
Date: *11-19-00*

SURVEYOR CERTIFICATION
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Date of Survey: **NOVEMBER 13, 2000**

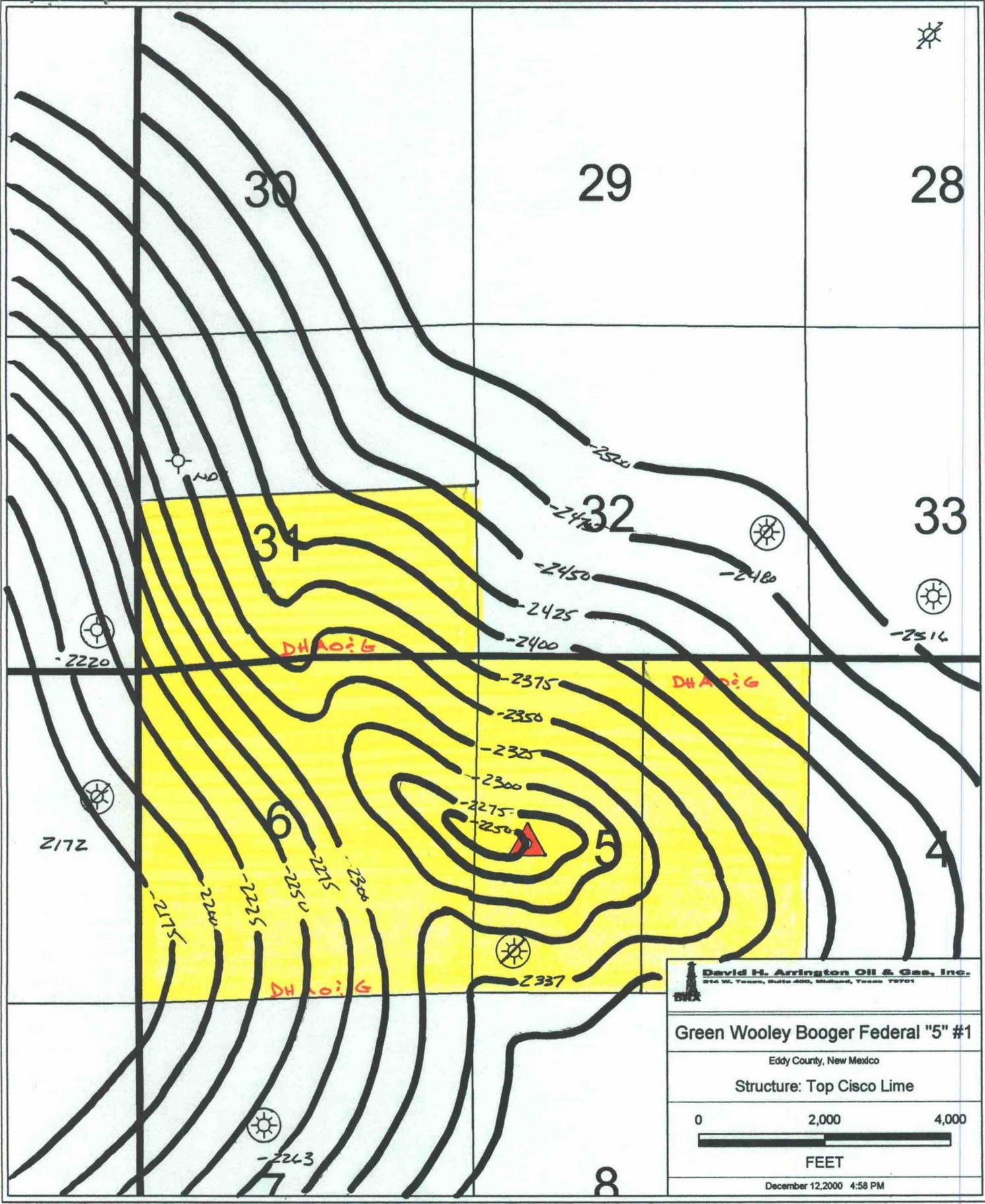
Signature and Seal of Professional Surveyor:
[Signature]
V. L. BEVERLY LAND SURVEYOR #7920

Job #72755 / JCP

EXHIBIT B

GEOLOGICAL DISCUSSION

The David H. Arrington Oil & Gas, Inc. "Green Wooley Booger Federal "5" #1" is proposed as an 8700' Lower Cisco Gas well located in Section 5, T19S-R24E, of Eddy County, New Mexico. This prospect was generated utilizing subsurface well control and 3-D seismic data to identify the most prospective location for commercial gas production from the Cisco formation. The Cisco formation in this area consists of a large tight gas filled carbonate with the best porosity development and production coming the most thick and structurally high portion of the carbonate bank. Porosity and permeability change and terminate rapidly as you loose structure. The geophysist working this project was instructed to determine the most advantageous structural and stratigraphic position in the Lower Cisco. Using both the structure and porosity mapping in the Lower Cisco (see enclosed maps) our original location was situated at a location of 660' FWL & 2130' FSL, but due to arch problems the BLM requested that the location be moved to the current location of 860' FWL & 2330' FSL of Section 5. This location is unorthodox to the inner boundary of the quarter-quarter, but as the geology indicates, to move to an orthodox location would result in a loss of both structure and porosity and a potential loss of reserves. It should be noted that this unorthodox location does not encroach on any offset or diagonal units and all immediate offset acreage is controlled by David H. Arrington Oil & Gas, Inc.. Granting David H. Arrington Oil & Gas, Inc. request for an this unorthodox location for the "Green Wooley Booger Federal "5" #1 will allow Arrington the best opportunity to establish production capable of preventing waste and protecting correlative rights.



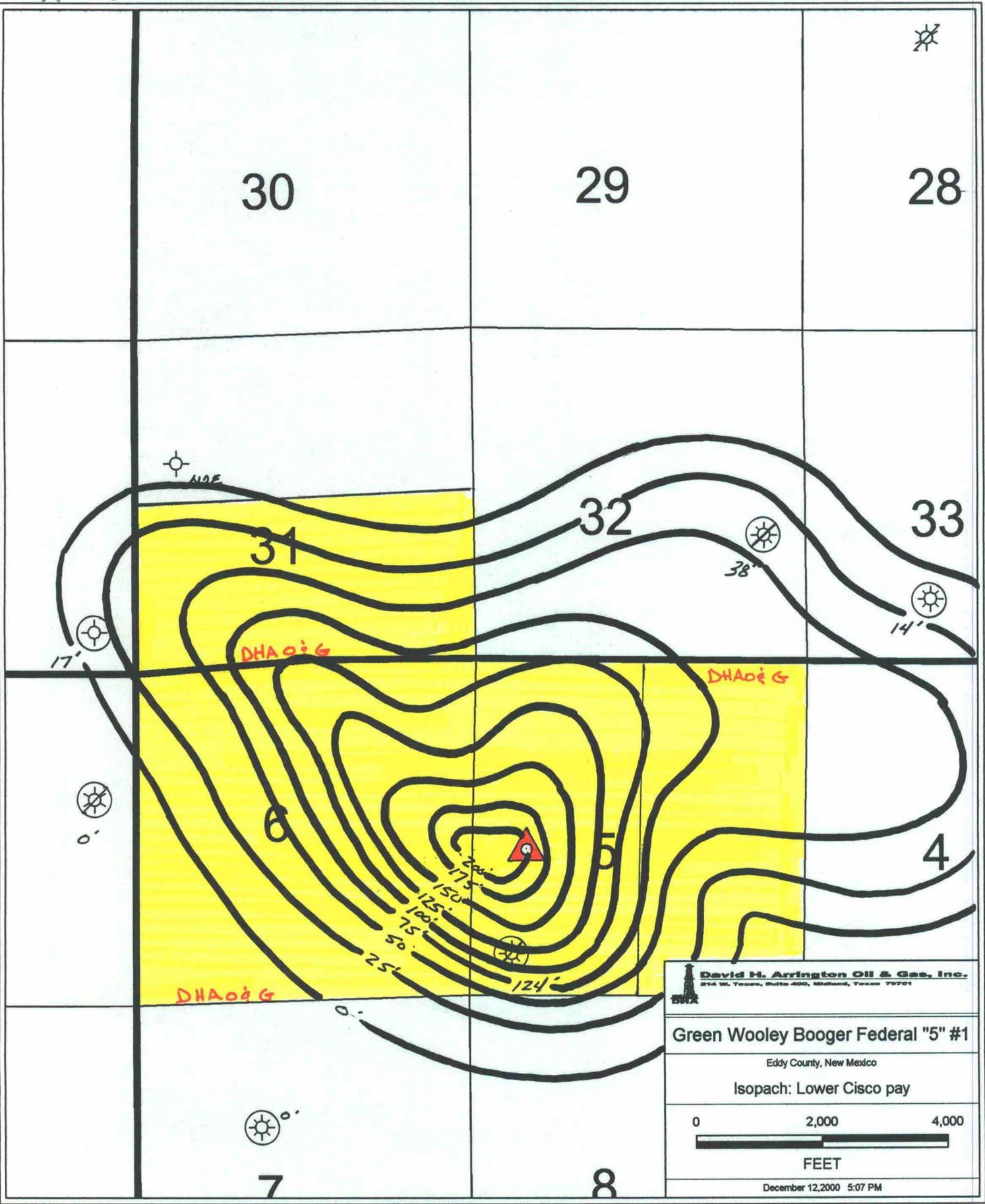

David H. Arrington Oil & Gas, Inc.
 214 W. Texas, Suite 400, Midland, Texas 79701

Green Wooley Booger Federal "5" #1
 Eddy County, New Mexico
 Structure: Top Cisco Lime

0 2,000 4,000

 FEET

December 12, 2000 4:58 PM




David H. Arrington Oil & Gas, Inc.
 214 W. Texas, Suite 200, Midland, Texas 79701

Green Wooley Booger Federal "5" #1
 Eddy County, New Mexico
 Isopach: Lower Cisco pay

0 2,000 4,000

 FEET

December 12, 2000 5:07 PM

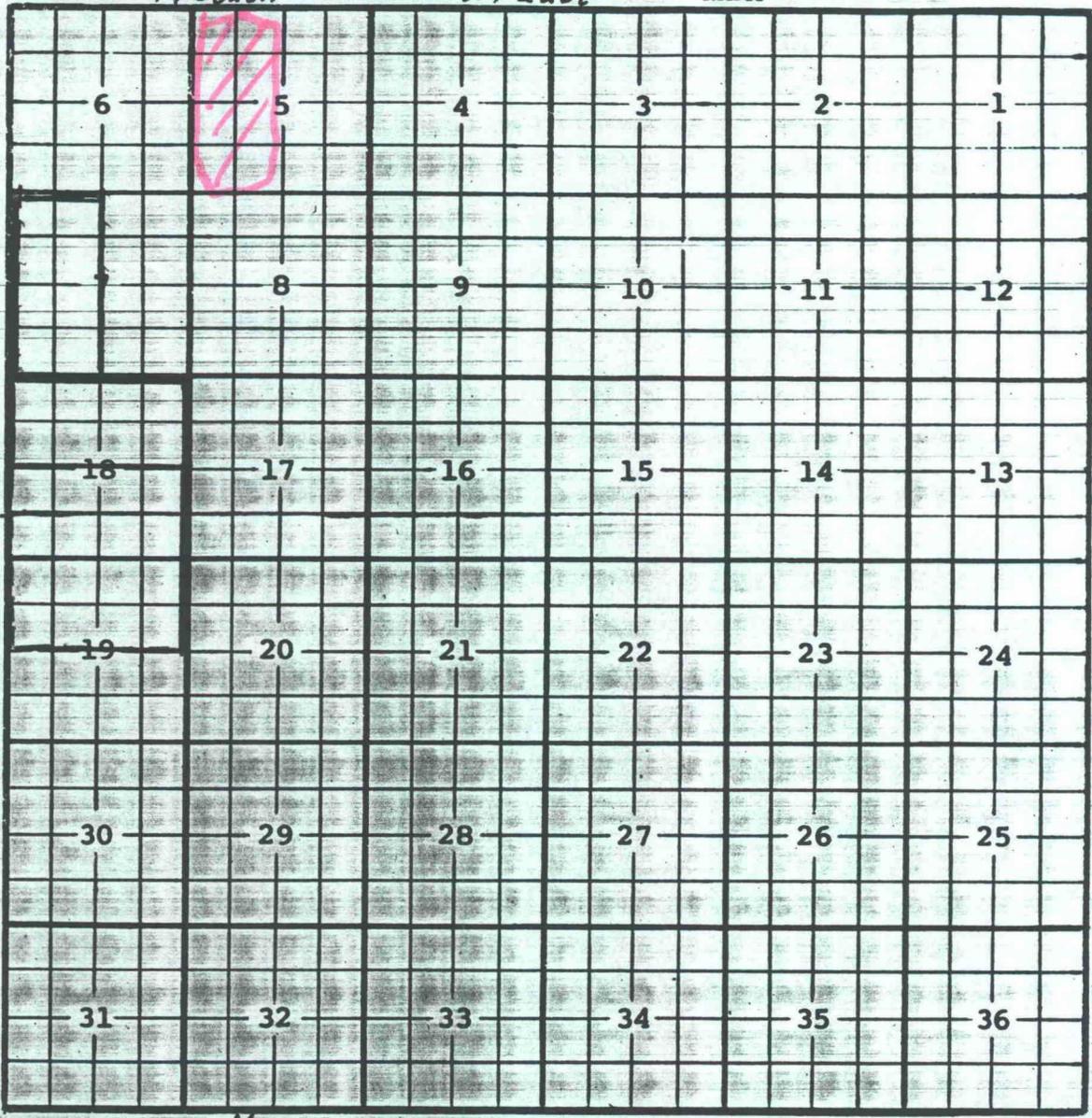
COUNTY *Eddy*

POOL *Antelope Sink - Upper Pennsylvanian Gas*

TOWNSHIP *19 South*

RANGE *24 East*

NMPM



Description: $\frac{N}{2}$ Sec. 18 (R-3402, 5-1-68)

Ext: $\frac{S}{2}$ Sec. 18, $\frac{N}{2}$ Sec. 19 (R-7322, 8-1-83)

Ext: $\frac{W}{2}$ Sec. 7 (R-10642, 8-19-96)

ILLEGIBLE

CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

01/31/01 08:42:42
OGOMES -TPIK
PAGE NO: 1

Sec : 05 Twp : 19S Rng : 24E Section Type : NORMAL

4 40.68 Federal owned	3 40.54 Federal owned	2 40.40 Federal owned	1 40.26 Federal owned
E 40.00 Federal owned	F 40.00 Federal owned	G 40.00 Federal owned	H 40.00 Federal owned

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06
PF07 BKWD PF08 FWD PF09 PRINT PF10 SDIV PF11 PF12

CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

01/31/01 08:42:46
OGOMES -TPIK
PAGE NO: 2

Sec : 05 Twp : 19S Rng : 24E Section Type : NORMAL

L 40.00 Federal owned	K 40.00 Federal owned	J 40.00 Federal owned	I 40.00 Federal owned
M 40.00 Federal owned	N 40.00 Federal owned	O 40.00 Federal owned	P 40.00 Federal owned

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06
PF07 BKWD PF08 FWD PF09 PRINT PF10 SDIV PF11 PF12

1
54
68
1.22

321.22